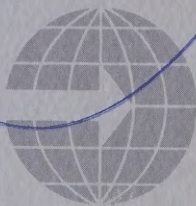


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THE
BANK
OF
NOVA
SCOTIA



ANNUAL
STATEMENT
1971

REPORT TO SHAREHOLDERS

We present herewith a Statement of Revenue and Expenses for the six months ended April 30, 1971, with comparative figures for the like period in the preceding year. Balance of Revenue at \$39,060,695 was \$8,453,315 over that for the equivalent period last year and Balance of Profits after appropriations and income taxes increased \$2,053,315 to \$11,910,695. Earnings per share, based on the average number outstanding, increased 10.2 cents to 70.6 cents for the half year.

As pointed out in my comments accompanying the interim statement for the first quarter of this year, a series of reductions in most short term interest rates have occurred in both domestic and international money markets. The decline in short term rates was more than the decline in long term rates which produced a moderate reversal in the previously unfavourable spread between asset and deposit rates in the global markets in which we operate. This trend continued into the second quarter of this year thus further strengthening international interest margins. As well, the results for the half year to date include the profits from security transactions realized in the rising market in the first quarter of this year. These developments coupled with a sizeable increase in the volume of business in both Canadian and international markets have contributed materially to the increased earnings for the first half of 1971.

We emphasize that the figures for interim periods during a fiscal year are not fully indicative of the results and the trend of earnings for a complete year. Our income and expenditures are affected by changes in economic and monetary conditions as well as by seasonal variations.

F. WILLIAM NICKS,
Chairman and Chief
Executive Officer.

STATEMENT OF REVENUE AND EXPENSES FOR THE SIX MONTHS ENDED APRIL 30TH

<i>(unaudited)</i>	1971	1970
Revenue		
Income from loans	\$206,483,517	\$211,393,017
Income from securities	30,324,489	25,646,133
Other operating revenue	18,515,152	19,358,761
Total revenue	<u>\$255,323,158</u>	<u>\$256,397,911</u>
Expenses		
Interest on deposits and bank debentures	\$143,258,381	\$159,428,141
Salaries, pension contributions and other staff benefits	44,565,507	41,978,675
Property expenses, including depreciation	12,186,310	10,490,806
Other operating expenses, including provision for losses on loans based on estimated five-year average loss experience	16,252,265	13,892,909
Total expenses	<u>\$216,262,463</u>	<u>\$225,790,531</u>
Balance of revenue (Note 1)	\$ 39,060,695	\$ 30,607,380
Appropriation for losses (Note 2)	14,500,000	10,500,000
Balance of profits before income taxes	\$ 24,560,695	\$ 20,107,380
Provision for income taxes relating thereto	12,650,000	10,250,000
Balance of profits for the period	<u>\$ 11,910,695</u>	<u>\$ 9,857,380</u>
Dividends	<u>\$ 6,581,250</u>	<u>\$ 6,232,610</u>
Balance of profits per share for the period (Note 3)	70.6¢	60.4¢
Dividends per share for the period	39 ¢	38 ¢

NOTE 1: The statement of revenue and expenses and the accompanying statement of assets and liabilities include the results of operations of and the assets and liabilities of The Bank of Nova Scotia N.V., BNS International (United Kingdom) Limited, BNS International N.V. and Scotia Nominees Ireland Limited, wholly owned subsidiaries.

NOTE 2: Final determination of amounts transferred as additions to Accumulated Appropriations for Losses is made at each fiscal year-end. Income taxes exigible on such transfers are chargeable to appropriations account.

NOTE 3: Based on the average number of shares outstanding (1971 - 16,875,000, 1970 - 16,323,000).

STATEMENT OF ASSETS

(unc)

ASSETS	April 30 1971	April 30 1970
<i>Cash Resources</i>		
Cash and due from banks	\$1,097,819,849	\$1,075,424,837
Cheques and other items in transit, net	149,737,200	148,075,520
	<u>\$1,247,557,049</u>	<u>\$1,223,500,357</u>
<i>Securities</i>		
Securities issued or guaranteed by Canada, at amortized value	\$ 660,989,551	\$ 535,613,229
Securities issued or guaranteed by provinces, at amortized value	56,823,623	35,306,549
Other securities, not exceeding market value	276,195,124	175,205,877
	<u>\$ 994,008,298</u>	<u>\$ 746,125,655</u>
<i>Loans</i>		
Day, call and short loans to investment dealers and brokers, secured	\$ 166,844,326	\$ 97,843,255
Other loans, including mortgages, less provision for losses ..	3,985,404,126	3,503,508,905
	<u>\$4,152,248,452</u>	<u>\$3,601,352,160</u>
Bank premises at cost, less amounts written off	\$ 57,805,769	\$ 53,028,875
Securities of and loans to corporations controlled by the bank ..	31,615,012	46,247,065
Customers' liability under acceptances, guarantees and letters of credit, as per contra	224,163,456	178,507,911
Other assets	9,060,920	4,943,084
	<u>\$6,716,458,956</u>	<u>\$5,853,705,107</u>

AS AND LIABILITIES

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LIABILITIES	April 30 1971	April 30 1970
<i>Deposits</i>		
Deposits by Canada.....	\$ 128,819,159	\$ 53,624,463
Deposits by provinces.....	252,476,806	200,915,565
Deposits by banks.....	996,433,814	668,952,794
Personal savings deposits payable after notice, in Canada, in Canadian currency.....	2,060,677,268	1,878,301,877
Other deposits.....	2,681,481,156	2,556,276,230
	<u>\$6,119,888,203</u>	<u>\$5,358,070,929</u>
Acceptances, guarantees and letters of credit.....	\$ 224,163,456	\$ 178,507,911
Other liabilities.....	31,750,854	14,685,557
Accumulated appropriations for losses.....	89,572,659	85,575,593
<i>Capital Funds</i>		
Debentures issued and outstanding	40,000,000	15,000,000
SHAREHOLDERS' EQUITY:		
CAPITAL STOCK—AUTHORIZED 25,000,000 SHARES AT \$2 PER SHARE		
Capital paid up.....	\$ 33,750,000	33,508,648
Retained account.....	175,875,000	166,822,968
Undivided profits.....	<u>1,458,784</u>	<u>1,533,501</u>
	<u>211,083,784</u>	<u>201,865,117</u>
	<u>251,083,784</u>	<u>216,865,117</u>
	<u>\$6,716,458,956</u>	<u>\$5,853,705,107</u>

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THE BANK OF NOVA SCOTIA

881 branches and representative offices in Canada, United Kingdom, Republic of Ireland, Continental Europe, Middle East, Far East, United States, Caribbean Area, Mexico, Central and South America.

Subsidiary and affiliated banking companies:

The Bank of Nova Scotia Jamaica Limited
Operating 41 branches in Jamaica.

The West India Company of Merchant Bankers Limited, Kingston, Jamaica.

Bermuda National Bank Limited.

Maduro & Curiel's Bank N.V.

United International Bank Limited
London, England

Subsidiary and affiliated Trust Company facilities available in:

Bahamas • Jamaica • Trinidad • Cayman
Islands • Barbados • British Virgin Islands
• Bermuda • New York • London •
Netherlands Antilles

Correspondent banking facilities
throughout the world



FILE

THE BANK OF NOVA SCOTIA



SIX MONTH STATEMENT APRIL 30, 1971

Executive Offices

44 KING ST, WEST, TORONTO, CANADA

THE BANK OF NOVA SCOTIA

Founded in 1832

140TH ANNUAL STATEMENT OCTOBER 31 1971

Executive Offices, 44 King Street West, Toronto 1, Canada

The Annual General Meeting of
Shareholders will be held in the
Banking House, Hollis & Prince Streets,
Halifax, N.S., on Wednesday,
January 12, 1972, at eleven o'clock a.m.,
for the purpose of receiving
a statement of affairs of
the Bank, for the election of
Directors and for other business.

THE BANK OF NOVA SCOTIA

ANNUAL STATEMENT HIGHLIGHTS

October 31, 1971 October 31, 1970

TOTAL ASSETS	<u>\$7,085,212,402</u>	<u>\$6,369,464,601</u>
DEPOSITS	<u>\$6,433,346,639</u>	<u>\$5,864,008,862</u>
LOANS	\$4,430,069,760	\$3,956,153,950
ACCUMULATED APPROPRIATIONS FOR LOSSES	\$94,970,667	\$89,572,659
DEBENTURES	\$40,000,000	\$15,000,000
SHAREHOLDERS' FUNDS	\$250,208,401	\$211,083,784
BALANCE OF REVENUE	<u>\$91,599,617</u>	<u>\$61,888,657</u>
BALANCE OF PROFITS FOR THE YEAR	<u>\$28,299,617</u>	<u>\$19,888,657</u>
BALANCE OF PROFITS PER SHARE	<u>\$1.68</u>	<u>\$1.20*</u>
DIVIDENDS PAID PER SHARE	\$.84	\$.78
NUMBER OF SHARES OUTSTANDING	16,875,000	16,573,892**
SHAREHOLDERS	17,693	19,412
STAFF	14,215	13,948
OFFICES	897	871

*Based on average shares outstanding

**Average number of shares outstanding

BOARD OF DIRECTORS

F. William Nicks, *Toronto*

Chairman of the Board and Chief Executive Officer

Thomas A. Boyles, *Toronto*

Deputy Chairman of the Board, Executive Vice-President and

Chairman of the Executive Committee of the Board

Arthur H. Crockett, *Toronto*

President

E. Jacques Courtois, *Q.C., Montreal*

Vice-President, The Bank of Nova Scotia,

Partner, Laing, Weldon, Courtois, Clarkson, Parsons, Gonthier & Tetrault

William C. Harris, *Toronto*

Vice-President, The Bank of Nova Scotia,

Chairman, Harris & Partners Limited

Donald McInnes, *Q.C., LL.D., D.C.L., Halifax*

Vice-President, The Bank of Nova Scotia,

Senior Partner, McInnes, Cooper and Robertson

The Honourable John B. Aird, *Q.C., Toronto*

Partner, Edison, Aird & Berlis

Lewis H. M. Ayre, *St. John's, Newfoundland*

Chairman and President, Ayre & Sons, Limited

Albert T. Baker, *Calgary*

President, Glenbow-Alberta Institute

G. Maxwell Bell, *Calgary*

Chairman, F. P. Publications Limited

John R. Bradfield, *LL.D., Toronto*

Chairman, Noranda Mines Limited

E. Delwin Brockett, *Pittsburgh, U.S.A.*

Chairman and Chief Executive Officer, Gulf Oil Corporation

W. Herman Browne, *Toronto*

Chairman of the Board, Moore Corporation, Limited

The Honourable Salter A. Hayden, *Q.C., M.A., LL.D., Toronto*

Senior Partner, McCarthy & McCarthy

Gerald H. D. Hobbs, *Vancouver*

Chairman, Western Canada Steel Limited

The Right Hon. Earl of Iveagh, *Dublin, Republic of Ireland*

Chairman, Arthur Guinness Son & Company Limited

Henry R. Jackman, *C.St.J., Q.C., Toronto*

Honorary Chairman, The Empire Life Insurance Company

John J. Jodrey, *Hantsport, N.S.*

President, Minas Basin Pulp and Power Company Limited

Sir Denys Lowson, *Bt., London, England*

Chairman, Algoma Central Railway

Charles E. MacCulloch, *Halifax*

President, MacCulloch & Co. Limited

A. Barnet Maclaren, *Ottawa*

Chairman of the Board, Maclaren Power & Paper Company

Jerry McAfee, *Toronto*

President and Chief Executive Officer, Gulf Oil Canada Limited

H. Harrison McCain, *Florenceville, N.B.*
Chairman of the Board, McCain Foods Limited

John L. McCarthy, *Toronto*
Vice-President, The Canada Life Assurance Company

Cyrus H. McLean, *Vancouver*
Former Chairman, British Columbia Telephone Company

Sir Brian Mountain, Bt., *London, England*
Chairman, Eagle Star Insurance Company Ltd.

Robert L. Pierce, Q.C., *Regina*
Senior Partner, Pierce, Hleck, Kanuka, Goetz, Thuringer, Kaufman and Semenchuk.

John S. Proctor, *Toronto*
Former Deputy Chairman of the Board and Executive Vice-President, The Bank of Nova Scotia

W. Harold Rea, LL.D., F.C.A., *Toronto*
Chairman of the Board, Great Canadian Oil Sands Limited

William H. C. Schwartz, *Halifax*
Chairman of the Board, W. H. Schwartz & Sons Ltd.

Frank H. Sherman, *Hamilton*
President and Chief Executive Officer, Dominion Foundries and Steel, Limited

C. Gordon Smith, LL.D., *Winnipeg*
President, Oldgard Limited

F. Foster Todd, *Toronto*
Former Executive Vice President, The International Nickel Company of Canada, Limited

Donald G. Willmot, *Toronto*
President and Chief Executive Officer, Molson Industries Limited

HONORARY DIRECTORS

Honorary Directors do not attend Meetings of the Board, nor receive remuneration.

Ralph P. Bell, O.B.E., B.A., D.C.L., *Halifax*
President, Pickard Investments Limited

Robert L. Dales, *Toronto*
Former Deputy Chairman of the Board and Executive Vice-President, The Bank of Nova Scotia

Albert S. Fraser, *Montreal*
Director, Investment Foundation Limited

Colonel John D. Fraser, V.D., C.D., *Pembroke, Ontario*
Vice-President, Snelling Paper Sales Limited

C. Sydney Frost, M.C., LL.D., D.C.L., *Toronto*
Former President and Chief Executive Officer, The Bank of Nova Scotia

Roy A. Jodrey, D.C.L., *Hantsport, N.S.*
Chairman of the Board, Minas Basin Pulp and Power Company Limited

The Honourable Norman A. M. MacKenzie, C.C., C.M.G., M.M. AND BAR, C.D., Q.C., LL.D., *Vancouver*
President Emeritus and Honorary Professor of International Law The University of British Columbia

W. Norman McLeod, D.LITT.S., *Toronto*
Director, Moore Corporation, Limited

The Honourable J. Leonard O'Brien, LL.D., D.C.L., PH.D., *Nelson-Miramichi, N.B.*

Charles N. Wilson, *Saint John, N.B.*
President, The Standard Dredging Co. Limited

EXECUTIVE OFFICERS TORONTO

Chairman of the Board and Chief Executive Officer

F. William Nicks

Deputy Chairman of the Board and Executive Vice-President

Thomas A. Boyles

President

Arthur H. Crockett

Chief General Manager

C. E. Ritchie

Deputy Chief General Managers

J. A. G. Bell G. C. Hitchman C. W. Jameson R. M. MacIntosh

W. S. McDonald

The Bank of Nova Scotia

STATEMENT OF ASSETS AND LIABILITIES

as at October 31

ASSETS	1971	1970
<i>Cash Resources</i>		
Cash and due from banks	\$1,222,382,667	\$1,188,794,897
Cheques and other items in transit, net	69,026,017	81,565,494
	<u>1,291,408,684</u>	<u>1,270,360,391</u>
<i>Securities</i>		
Securities issued or guaranteed by Canada, at amortized value	668,644,906	620,634,578
Securities issued or guaranteed by provinces, at amortized value	54,112,005	39,496,688
Other securities, not exceeding market value	294,157,410	188,610,016
	<u>1,016,914,321</u>	<u>848,741,282</u>
<i>Loans</i>		
Day, call and short loans to investment dealers and brokers, secured	270,498,178	251,213,991
Other loans, including mortgages, less provision for losses	4,159,571,582	3,704,939,959
	<u>4,430,069,760</u>	<u>3,956,153,950</u>
Bank premises at cost, less amounts written off	61,168,949	56,142,631
Securities of and loans to corporations controlled by the bank	34,007,752	46,417,600
Customers' liability under acceptances, guarantees and letters of credit, as per contra	238,067,088	183,882,208
Other assets	13,575,848	7,766,539
	<u>\$7,085,212,402</u>	<u>\$6,369,464,601</u>

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE BANK OF NOVA SCOTIA

We have examined the statement of assets and liabilities of The Bank of Nova Scotia as at October 31, 1971, and the statements of revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

LIABILITIES	1971	1970
<i>Deposits</i>		
Deposits by Canada	\$ 102,995,285	\$ 32,095,383
Deposits by provinces	211,370,608	158,248,621
Deposits by banks	1,048,873,795	989,684,178
Personal savings deposits payable after notice, in Canada, in Canadian currency	2,183,929,590	1,995,994,093
Other deposits	2,886,177,361	2,687,986,587
	<u>6,433,346,639</u>	<u>5,864,008,862</u>
Acceptances, guarantees and letters of credit	238,067,088	183,882,208
Other liabilities	28,619,607	5,917,088
Accumulated appropriations for losses	94,970,667	89,572,659
<i>Capital Funds</i>		
Debentures issued and outstanding (Note 2)	40,000,000	15,000,000
SHAREHOLDERS' EQUITY:		
CAPITAL STOCK—AUTHORIZED 25,000,000 SHARES AT \$2 PER SHARE		
Capital paid up \$ 33,750,000		33,750,000
Rest account 215,000,000		175,875,000
Undivided profits <u>1,458,401</u>		<u>1,458,784</u>
	<u>250,208,401</u>	<u>211,083,784</u>
	<u>290,208,401</u>	<u>226,083,784</u>
	<u>\$7,085,212,402</u>	<u>\$6,369,464,601</u>

F. WILLIAM NICKS
Chairman and Chief Executive Officer

C. E. RITCHIE
Chief General Manager

In our opinion the foregoing statements present fairly the financial position of the Bank as at October 31, 1971, and the revenue, expenses and undivided profits, accumulated appropriations for losses and transactions in the rest account of the Bank for the year ended on that date.

T. A. M. HUTCHISON, F.C.A., of Peat, Marwick, Mitchell & Co.	} Auditors
D. L. GORDON, F.C.A., of Clarkson, Gordon & Co.	

Toronto, Canada,
November 19, 1971.

The Bank of Nova Scotia

STATEMENT OF REVENUE, EXPENSES AND UNDIVIDED PROFITS

for the financial year ended October 31

	1971	1970
<i>Revenue</i>		
Income from loans	\$420,623,510	\$427,908,554
Income from securities	59,968,550	54,478,837
Other operating revenue	41,842,123	38,558,704
Total revenue	<u>522,434,183</u>	<u>520,946,095</u>
<i>Expenses</i>		
Interest on deposits and bank debentures	281,466,911	320,477,713
Salaries, pension contributions and other staff benefits	90,624,345	86,445,362
Property expenses, including depreciation	24,735,513	21,961,873
Other operating expenses, including provision for losses on loans based on five-year average loss experience	34,007,797	30,172,490
Total expenses	<u>430,834,566</u>	<u>459,057,438</u>
Balance of revenue	91,599,617	61,888,657
Appropriation for losses	35,000,000	21,000,000
Balance of profits before income taxes	56,599,617	40,888,657
Provision for income taxes relating thereto (Note 3)	28,300,000	21,000,000
Balance of profits for the year	28,299,617	19,888,657
Dividends	14,175,000	12,963,374
Amount carried forward	14,124,617	6,925,283
Undivided profits at beginning of year	1,458,784	1,533,501
Transfer from Accumulated appropriations for losses	25,000,000	—
	<u>40,583,401</u>	<u>8,458,784</u>
Transferred to rest account	39,125,000	7,000,000
Undivided profits at end of year	<u>\$ 1,458,401</u>	<u>\$ 1,458,784</u>

The Bank of Nova Scotia

STATEMENT OF REST ACCOUNT

for the financial year ended October 31

	1971	1970
Balance at beginning of year	\$175,875,000	\$137,000,000
Premium on new shares offered December 15, 1969	—	31,875,000
Transferred from undivided profits	39,125,000	7,000,000
Balance at end of year	<u>\$215,000,000</u>	<u>\$175,875,000</u>

F. WILLIAM NICKS
Chairman and Chief Executive Officer

C. E. RITCHIE
Chief General Manager

The Bank of Nova Scotia

STATEMENT OF ACCUMULATED APPROPRIATIONS FOR LOSSES

for the financial year ended October 31

(Deductions in brackets)

	1971	1970
Accumulated appropriations at beginning of year:		
General	\$ 66,247,062	\$ 67,587,749
Tax paid	23,325,597	17,987,844
Total	89,572,659	85,575,593
Appropriation from current year's operations	35,000,000	21,000,000
Loss experience on loans less provision included in other operating expenses	(3,600,296)	(1,086,746)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	17,105,936	(5,506,772)
Other profits, losses and non-recurring items net	(107,632)	1,490,584
	137,970,667	101,472,659
Provision for income taxes (Note 3)	(18,000,000)	(11,900,000)
Transfer to undivided profits	(25,000,000)	—
Accumulated appropriations at end of year:		
General	72,137,659	66,247,062
Tax paid	22,833,008	23,325,597
Total	\$ 94,970,667	\$ 89,572,659

NOTES TO THE FINANCIAL STATEMENTS

1. The financial statements include the assets and liabilities and results of operations of the following wholly owned subsidiaries, Scotia Nominees Ireland Limited, The Bank of Nova Scotia N.V., BNS International N.V., BNS International (United Kingdom) Limited, and BNS International (Bahamas) Limited.

2. Debentures issued and outstanding at October 31, 1971:

7% October 15, 1987	\$15,000,000
7% April 15, 1991 (maturity on October 15, 1977 at the option of the holder)	25,000,000
	<u>\$40,000,000</u>

3. In addition to the income tax provision of \$28,300,000 shown in the Statement of Revenue and Expenses, income taxes of \$18,000,000 are exigible on the transfer of \$35,000,000 from earnings to Accumulated Appropriations for Losses, resulting in a total provision for income taxes of \$46,300,000.

F. WILLIAM NICKS
Chairman and Chief Executive Officer

C. E. RITCHIE
Chief General Manager

Controlled Corporations
of The Bank of Nova Scotia

The Bank of Nova Scotia Jamaica Limited

Statement of Assets and Liabilities as at October 31, 1971

Balances expressed in Jamaican Dollars

(Canadian equivalent \$1.25)

ASSETS

Cash, money at call and deposits with the Bank of Jamaica	J\$ 11,482,832
Cheques and other instruments in the course of collection	11,013,059
Amounts due by other banks	6,592,735
Government of Jamaica securities at cost	19,425,313
Other investments at cost	603,034
Loans, less provision for losses	115,427,070
Customers' liability under acceptances, guarantees and letters of credit, as per contra	7,692,255
Bank premises at cost, less depreciation	5,576,261
Shares of The West India Company of Merchant Bankers Limited	100,000
Other assets	74,504
	<u>J\$177,987,063</u>

LIABILITIES

Deposits	J\$145,088,332
Amounts due to other banks	6,461,243
Cheques and other instruments in the course of payment	8,472,645
Acceptances, guarantees and letters of credit	7,692,255
Proposed dividend	343,750
Other liabilities	930,270
Capital and Surplus:	
Capital stock—authorized and issued, 5,500,000 shares of a par value of \$J1 each	J\$5,500,000
General reserve	2,900,000
Unappropriated profits	598,568
	<u>8,998,568</u>
	<u>J\$177,987,063</u>

NOTE: The Bank of Nova Scotia Jamaica Limited was incorporated in December, 1966, to acquire the Jamaican banking business and undertakings of The Bank of Nova Scotia. The capital stock is 70% owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian \$5,725,285. The amounts due by other banks include J\$2,984,676 due by The Bank of Nova Scotia.

Controlled Corporations
of The Bank of Nova Scotia

The West India Company of Merchant Bankers Limited

Statement of Assets and Liabilities as at October 31, 1971

Balances expressed in Jamaican Dollars

(Canadian equivalent \$1.25)

ASSETS

Cash and amounts due by other banks	J\$ 6,867	
Fixed term deposit with The Bank of Nova Scotia Jamaica Limited	330,000	
Customers' liability under guarantees, as per contra	800,000	
Furniture, fixtures and equipment at cost, less depreciation	7,717	
Other assets	5,975	
		<u>J\$1,150,559</u>

LIABILITIES

Guarantees outstanding	J\$ 800,000	
Other liabilities	45,273	
Capital and Surplus:		
Capital stock—authorized and issued 300,000 shares of a par value of J\$1	J\$300,000	
Unappropriated profits	5,286	305,286
		<u>J\$1,150,559</u>

NOTE: The West India Company of Merchant Bankers Limited was incorporated in February, 1970. The capital stock is two-thirds owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian \$257,685. The Bank of Nova Scotia Jamaica Limited owns the remaining shares.

Controlled Corporations
of The Bank of Nova Scotia

The Bank of Nova Scotia Trust Company (Bahamas) Limited
and its wholly owned subsidiaries

The Bank of Nova Scotia Trust Company of Jamaica Limited

The Bank of Nova Scotia Trust Company of the West Indies Limited

The Bank of Nova Scotia Trust Company (Cayman) Limited

The Bank of Nova Scotia Trust Company (Caribbean) Limited

Consolidated Statement of Assets and Liabilities as at December 31, 1970
Balances expressed in Bahamas dollars
(Canadian equivalent \$1.007)

ASSETS

Cash in bank	B\$37,196,355
United Kingdom Government securities at amortized value, plus accrued interest	1,594,291
Canadian Government securities at amortized value, plus accrued interest	375,132
Barbados Government and Jamaican Government securities at amortized value, plus accrued interest	305,472
Other investments at the lower of cost or estimated realizable value	143,574
Loans and Discounts	12,444,559
Customers' liability under guarantees and other obligations, as per contra	736,500
Furniture, fixtures and equipment at cost, less depreciation	186,186
	<u>B\$52,982,069</u>

LIABILITIES

Deposits, trusts and other balances	B\$49,789,561
Guarantees and other obligations	736,500
Dividend payable	135,000
Other liabilities	49,762
Capital and Surplus:	
Capital stock—authorized 3,000,000 shares at a par value of B\$1 each	
Issued 2,250,000 shares	B\$2,250,000
Earned surplus	<u>21,246</u>
	<u>2,271,246</u>
	<u>B\$52,982,069</u>

NOTE: The Bank of Nova Scotia Trust Company (Bahamas) Limited was incorporated in December, 1957, to provide a full range of personal and corporate trust services. The capital stock is 60% owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian \$1,392,786.

Controlled Corporations
of The Bank of Nova Scotia

The Bank of Nova Scotia Trust Company of New York

Statement of Assets and Liabilities as at October 31, 1971

Balances expressed in United States dollars

(Canadian equivalent \$1.003)

ASSETS	
Cash and amounts due by other banks	\$2,470,886
Investment bonds at amortized value, plus accrued interest	2,382,913
Furniture, fixtures and equipment at cost, less depreciation	4,809
Other assets	9
	<u>\$4,858,617</u>
LIABILITIES	
Deposits, trusts and other balances	\$2,737,447
Income taxes payable	16,095
Other liabilities	9,118
Capital and Surplus:	
Capital stock—authorized and issued 10,000 shares as par value of \$100 each	\$1,000,000
Paid in surplus	1,000,000
Earned surplus	95,957
	<u>\$2,095,957</u>
	<u>\$4,858,617</u>

NOTE: The Company was incorporated in June, 1959, to provide fiduciary services for the Bank's clients. The capital stock, except for the Directors' qualifying shares, is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of U.S. \$1,984,000.

Controlled Corporations
of The Bank of Nova Scotia

The Bank of Nova Scotia Trust Company (United Kingdom) Limited

Statement of Assets and Liabilities as at October 31, 1971

Balances expressed in Pounds sterling

(Canadian equivalent \$2.50)

ASSETS

Cash in bank	£ 71,506
Loans	2,006,018
United Kingdom Government securities at cost	100,000
Other assets	32,213
	<u>£2,209,737</u>

LIABILITIES

Loan from The Bank of Nova Scotia	£2,006,018
Other liabilities	72,757
Capital and Surplus:	
Capital stock—authorized 250,000 shares of a par value of £1 each	
Issued 100,000 shares	£100,000
Earned surplus	<u>30,962</u>
	130,962
	<u>£2,209,737</u>

NOTE: The Company was incorporated in September, 1964, to provide fiduciary services for the Bank's clients. The capital stock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian \$260,000.

Controlled Corporations
of The Bank of Nova Scotia

Empire Realty Company, Limited

Statement of Assets and Liabilities as at October 31, 1971

ASSETS

Current Assets

Cash in bank	\$ 530,764	
Accounts receivable	5,400	
Prepaid expenses	18,604	\$ 554,768

Fixed Assets

Land and buildings at cost	26,724,742	
Less accumulated depreciation	<u>12,045,489</u>	<u>14,679,253</u>
		<u>\$15,234,021</u>

LIABILITIES

Current Liabilities

Accrued liabilities and rentals paid in advance	\$ 4,982	
Serial bonds due November 1, 1971	500,000	
Bond interest due November 1, 1971	33,750	
Corporation taxes payable	<u>1,124</u>	\$ 539,856

Loan from The Bank of Nova Scotia		8,692,442
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First Mortgage Serial 4½% Bonds

(maturing \$500,000 annually on Nov. 1, 1972-1973)		1,000,000
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Capital and Surplus

Capital stock—authorized and issued 50,000 shares of a par value of \$100 each	\$ 5,000,000	
Earned surplus	<u>1,723</u>	<u>5,001,723</u>
		<u>\$15,234,021</u>

NOTE: The capital stock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of \$5,000,000. The Bank also owns \$225,000 of the first mortgage bonds.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE BANK OF NOVA SCOTIA

We have examined the statements of assets and liabilities of the foregoing controlled corporations as of the dates indicated. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying statements of assets and liabilities present fairly the financial positions of the corporations as at the dates indicated.

T. A. M. HUTCHISON, F.C.A., of Peat, Marwick, Mitchell & Co.	} Auditors
D. L. GORDON, F.C.A., of Clarkson, Gordon & Co.	

Toronto, Canada,
November 19, 1971.

Scotia  BANK
THE BANK OF NOVA SCOTIA
AN INTERNATIONAL BANK FOUNDED IN 1892